



Milwaukee County

Employees' Retirement System
of Milwaukee County
Monthly Update
August 31, 2012

Total Fund Composite

Manager Status

Market Value: \$1,731.1 Million and 100.0% of Fund

Investment Manager	Asset Class	Status	Reason
J.P. Morgan	Core Fixed Income	In Compliance	---
Mellon Capital	Core Fixed Income	In Compliance	---
Boston Partners	Large-Cap Value	In Compliance	---
Mellon Capital	Large-Cap Core	In Compliance	---
Artisan Partners	Mid-Cap Growth	In Compliance	---
Geneva Capital	Mid-Cap Growth	In Compliance	---
AQR	Small-Cap Value	In Compliance	---
Fiduciary Management	Small-Cap Value	In Compliance	---
Barings	Non-U.S. Large-Cap Core	In Compliance	---
GMO Large-Cap	Non-U.S. Large-Cap Value	Termination	Performance
GMO Small-Cap	Non-U.S. Small-Cap Value	In Compliance	---
Barings EM	Emerging Markets	In Compliance	---
ABS	Hedged Equity Hedge FoF	In Compliance	---
K2	Hedged Equity Hedge FoF	In Compliance	---
American Realty Advisors	Core Real Estate	Alert	Professional Turnover
Morgan Stanley	Core Real Estate	In Compliance	---
UBS	Core Real Estate	In Compliance	---
IFM	Core Infrastructure	In Compliance	---
J.P. Morgan	Core Infrastructure	In Compliance	---
Adams Street	Private Equity	In Compliance	---
Siguler Guff	U.S. Private Equity FoF	In Compliance	---

Investment Manager Evaluation Terminology

The following terminology has been developed by Marquette Associates to facilitate efficient communication among the Investment Manager, Investment Consultant, and the Plan Sponsor. Each term signifies a particular status with the Fund and any conditions that may require improvement. In each case, communication is made only after consultation with the Trustees and/or the Investment Committee of the Plan.

In Compliance – The investment manager states it is acting in accordance with the Investment Policy Guidelines.

Alert – The investment manager is notified of a problem in performance (usually related to a benchmark or volatility measure), a change in investment characteristics, an alteration in management style or key investment professionals, and/or any other irregularities.

On Notice – The investment manager is notified of continued concern with one or more Alert issues. Failure to improve upon stated issues within a specific time frame justifies termination.

Termination – The Trustees have decided to terminate the investment manager. The investment manager is notified and transition plans are in place.

Total Fund Composite

Market Value: \$1,731.1 Million and 100.0% of Fund

Ending August 31, 2012

	Asset Class	Market Value (\$)	3 Mo Net Cash Flows (\$)	% of Portfolio	Policy %	Policy Difference (\$)
Total Fund Composite		1,731,099,810	-30,047,638	100.0	100.0	0
Fixed Income Composite		472,367,410	-15,146,558	27.3	29.0	-29,651,518
J.P. Morgan	Core Fixed Income	333,196,784	-132,217	19.2		
Mellon Capital	Core Fixed Income	139,170,625	-15,014,341	8.0		
U.S. Equity Composite		417,786,975	-346,359	24.1	23.0	19,634,019
Boston Partners	Large-Cap Value	127,104,879	-62,103	7.3	7.0	5,927,892
Mellon Capital	Large-Cap Core	108,330,333	-10,625	6.3	6.0	4,464,344
Artisan Partners	Mid-Cap Growth	50,726,687	-98,282	2.9	2.5	7,449,191
Geneva Capital	Mid-Cap Growth	39,453,285	38,851,254	2.3		
AQR	Small-Cap Value	42,268,363	-94,490	2.4	2.5	-1,009,132
Fiduciary Management	Small-Cap Value	49,903,428	-80,859	2.9	2.5	6,625,933
International Equity Composite		323,123,482	0	18.7	18.0	11,525,499
Barings	Non-U.S. Large-Cap Core	113,557,127	0	6.6	6.0	9,691,138
GMO Large-Cap	Non-U.S. Large-Cap Value	91,733,123	0	5.3	6.0	-12,132,866
GMO Small-Cap	Non-U.S. Small-Cap Value	64,674,017	0	3.7	3.0	12,741,022
Barings EM	Emerging Markets	53,159,216	0	3.1	3.0	1,226,222
Hedged Equity Composite		180,535,002	0	10.4	10.0	7,425,021
ABS	Hedged Equity Hedge FoF	91,620,856	0	5.3	5.0	5,065,865
K2	Hedged Equity Hedge FoF	88,914,146	0	5.1	5.0	2,359,155
Real Estate Composite		137,943,108	-1,780,115	8.0	7.0	16,766,121
American Realty Advisors	Core Real Estate	32,270,008	-478,228	1.9		
Morgan Stanley	Core Real Estate	90,152,885	-1,135,788	5.2		
UBS	Core Real Estate	15,493,378	-154,804	0.9		
Infrastructure Composite		132,836,575	-1,898,295	7.7	7.0	11,659,588
IFM	Core Infrastructure	73,094,105	-617,367	4.2	3.5	12,505,611
J.P. Morgan	Core Infrastructure	59,742,471	-1,280,928	3.5	3.5	-846,023

Total Fund Composite

Market Value: \$1,731.1 Million and 100.0% of Fund

Ending August 31, 2012

	Asset Class	Market Value (\$)	3 Mo Net Cash Flows (\$)	% of Portfolio	Policy %	Policy Difference (\$)
Private Equity Composite		39,054,930	10,758,048	2.3	6.0	-64,811,059
Progress	U.S. Private Equity FoF	28,509	0	0.0		
Brinson 1998	U.S. Private Equity FoF	76,778	-240,379	0.0		
Brinson 1999	U.S. Private Equity FoF	422,732	0	0.0		
Brinson 2000	U.S. Private Equity FoF	1,183,708	-175,670	0.1		
Brinson 2001	U.S. Private Equity FoF	2,317,489	-266,187	0.1		
Brinson 2002	U.S. Private Equity FoF	1,629,620	-130,404	0.1		
Brinson 2003	U.S. Private Equity FoF	1,403,425	0	0.1		
Brinson 2004	U.S. Private Equity FoF	2,048,551	-169,821	0.1		
Adams Street 2005	U.S. Private Equity FoF	7,517,644	-204,491	0.4		
Adams Street 2009	U.S. Private Equity FoF	11,150,474	669,000	0.6		
Adams Street 2012	Global Divers. Private Equity FoF	1,276,000	1,276,000	0.1		
Siguler Guff	U.S. Private Equity FoF	10,000,000	10,000,000	0.6		
Total Cash Equivalents		27,452,328	-21,634,358	1.6	0.0	27,452,328

Total Fund Composite

Annualized Performance (Gross of Fees)

Market Value: \$1,731.1 Million and 100.0% of Fund

Ending August 31, 2012

	1 Mo	3 Mo	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	7 Yrs	10 Yrs
Total Fund Composite	1.5%	4.5%	6.7%	6.4%	8.9%	8.6%	4.4%	2.5%	4.9%	7.7%
<i>Total Fund Benchmark</i>	1.1%	4.1%	6.2%	6.2%	9.1%	8.3%	3.9%	2.2%	4.5%	7.0%
Fixed Income Composite	0.2%	1.6%	4.2%	5.9%	5.3%	7.5%	7.8%	7.1%	6.3%	7.1%
<i>Barclays Aggregate</i>	0.1%	1.5%	3.9%	5.8%	5.2%	6.5%	6.9%	6.7%	5.7%	5.5%
U.S. Equity Composite	3.3%	7.2%	12.8%	15.6%	17.4%	13.8%	5.3%	2.4%	4.9%	8.0%
<i>Dow Jones U.S. Total Stock Market (Full-Cap)</i>	2.5%	7.4%	13.1%	16.7%	17.9%	13.9%	4.9%	1.7%	4.6%	7.3%
International Equity Composite	2.2%	9.0%	5.6%	-3.9%	4.4%	3.0%	-2.0%	-5.3%	-0.9%	3.5%
<i>MSCI ACWI ex USA Gross</i>	2.1%	9.7%	6.8%	-1.4%	4.5%	4.1%	-0.7%	-3.1%	4.0%	8.7%
Hedged Equity Composite	1.4%	2.1%	3.7%	1.6%	3.4%	--	--	--	--	--
<i>HFRX Equity Hedge Index</i>	0.8%	1.9%	2.6%	-3.2%	-4.1%	-2.0%	-5.2%	-5.4%	-1.7%	0.6%
<i>Russell 3000</i>	2.5%	7.6%	13.2%	17.0%	18.2%	13.8%	4.7%	1.5%	4.3%	7.0%
<i>MSCI ACWI</i>	2.2%	8.7%	9.4%	6.2%	9.9%	7.7%	1.1%	-1.7%	3.6%	7.0%
Real Estate Composite	0.0%	2.9%	5.9%	12.9%	17.3%	15.6%	5.8%	1.7%	5.3%	10.8%
<i>Custom Real Estate Benchmark</i>	0.0%	0.8%	4.9%	8.9%	13.3%	15.8%	3.2%	-1.2%	3.6%	9.8%
<i>NFI</i>	0.0%	0.9%	5.5%	9.9%	14.3%	10.2%	-2.9%	-1.4%	3.8%	6.4%
Infrastructure Composite	0.6%	2.2%	4.0%	4.5%	10.0%	--	--	--	--	--
<i>CPI +4%</i>	0.3%	0.7%	4.2%	5.2%	6.5%	6.1%	5.2%	6.0%	6.3%	6.5%
Private Equity Composite	0.0%	0.0%	5.1%	4.3%	14.4%	14.3%	4.9%	4.6%	11.3%	11.0%
<i>Venture Economics All PE</i>	0.0%	0.0%	0.0%	3.1%	9.2%	11.6%	5.4%	3.6%	9.0%	10.9%

Investment Manager

Annualized Performance (Gross of Fees)

Market Value: \$1,731.1 Million and 100.0% of Fund

Ending August 31, 2012

	1 Mo	3 Mo	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	7 Yrs	10 Yrs
Total Fund Composite	1.5%	4.5%	6.7%	6.4%	8.9%	8.6%	4.4%	2.5%	4.9%	7.7%
Total Fund Benchmark	1.1%	4.1%	6.2%	6.2%	9.1%	8.3%	3.9%	2.2%	4.5%	7.0%
Fixed Income Composite	0.2%	1.6%	4.2%	5.9%	5.3%	7.5%	7.8%	7.1%	6.3%	7.1%
Barclays Aggregate	0.1%	1.5%	3.9%	5.8%	5.2%	6.5%	6.9%	6.7%	5.7%	5.5%
J.P. Morgan	0.3%	1.6%	4.3%	6.0%	5.4%	6.7%	7.4%	6.9%	--	--
Barclays Aggregate	0.1%	1.5%	3.9%	5.8%	5.2%	6.5%	6.9%	6.7%	5.7%	5.5%
Mellon Capital	0.1%	1.5%	3.9%	5.9%	5.2%	6.5%	6.8%	6.7%	5.8%	5.5%
Barclays Aggregate	0.1%	1.5%	3.9%	5.8%	5.2%	6.5%	6.9%	6.7%	5.7%	5.5%
U.S. Equity Composite	3.3%	7.2%	12.8%	15.6%	17.4%	13.8%	5.3%	2.4%	4.9%	8.0%
Dow Jones U.S. Total Stock Market (Full-Cap)	2.5%	7.4%	13.1%	16.7%	17.9%	13.9%	4.9%	1.7%	4.6%	7.3%
Boston Partners	3.7%	10.0%	16.0%	21.2%	18.7%	13.0%	6.3%	2.6%	5.9%	8.6%
Russell 1000 Value	2.2%	8.4%	12.2%	17.3%	15.8%	12.1%	2.9%	-0.9%	3.0%	6.6%
Mellon Capital	2.3%	7.9%	13.5%	18.0%	18.3%	13.6%	4.7%	1.3%	4.3%	6.5%
S&P 500	2.3%	7.9%	13.5%	18.0%	18.2%	13.6%	4.6%	1.3%	4.2%	6.5%
Artisan Partners	5.4%	5.7%	17.7%	14.4%	22.9%	20.7%	10.6%	7.2%	9.8%	12.0%
Russell MidCap Growth	3.4%	5.2%	11.6%	11.7%	18.5%	16.1%	5.7%	2.9%	5.6%	10.0%
Geneva Capital	3.8%	--	--	--	--	--	--	--	--	--
Russell MidCap Growth	3.4%	5.2%	11.6%	11.7%	18.5%	16.1%	5.7%	2.9%	5.6%	10.0%
AQR	1.9%	4.2%	6.4%	9.3%	12.4%	12.0%	3.0%	0.7%	--	--
Russell 2000 Value	3.1%	7.0%	10.4%	14.1%	15.5%	12.2%	2.9%	0.7%	3.2%	8.5%
Fiduciary Management	3.1%	5.4%	7.5%	11.9%	15.4%	--	--	--	--	--
Russell 2000 Value	3.1%	7.0%	10.4%	14.1%	15.5%	12.2%	2.9%	0.7%	3.2%	8.5%
International Equity Composite	2.2%	9.0%	5.6%	-3.9%	4.4%	3.0%	-2.0%	-5.3%	-0.9%	3.5%
MSCI ACWI ex USA Gross	2.1%	9.7%	6.8%	-1.4%	4.5%	4.1%	-0.7%	-3.1%	4.0%	8.7%
Barings	1.7%	8.9%	7.1%	-1.5%	5.5%	5.2%	-1.2%	--	--	--
MSCI EAFE	2.7%	11.1%	6.9%	0.0%	4.9%	2.4%	-2.2%	-4.8%	2.1%	6.7%
GMO Large-Cap	3.9%	11.8%	3.9%	-2.2%	4.4%	0.7%	-3.7%	-5.8%	1.1%	7.0%
MSCI EAFE	2.7%	11.1%	6.9%	0.0%	4.9%	2.4%	-2.2%	-4.8%	2.1%	6.7%
MSCI EAFE Value	3.4%	13.0%	6.1%	0.1%	3.4%	-0.1%	-2.8%	-6.1%	1.2%	6.7%
GMO Small-Cap	3.0%	8.3%	7.5%	-4.5%	8.2%	4.3%	--	--	--	--
MSCI EAFE Small Cap Gross	2.7%	7.3%	8.4%	-3.3%	6.8%	5.2%	1.6%	-3.3%	2.6%	10.2%
Barings EM	-0.6%	5.2%	2.9%	-10.7%	-1.6%	--	--	--	--	--
MSCI Emerging Markets	-0.3%	5.5%	5.6%	-5.8%	1.4%	6.6%	2.2%	-0.4%	9.1%	15.0%

Investment Manager

Annualized Performance (Gross of Fees)

Market Value: \$1,731.1 Million and 100.0% of Fund

Ending August 31, 2012

	1 Mo	3 Mo	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	7 Yrs	10 Yrs
Hedged Equity Composite	1.4%	2.1%	3.7%	1.6%	3.4%	--	--	--	--	--
HFRX Equity Hedge Index	0.8%	1.9%	2.6%	-3.2%	-4.1%	-2.0%	-5.2%	-5.4%	-1.7%	0.6%
Russell 3000	2.5%	7.6%	13.2%	17.0%	18.2%	13.8%	4.7%	1.5%	4.3%	7.0%
MSCI ACWI	2.2%	8.7%	9.4%	6.2%	9.9%	7.7%	1.1%	-1.7%	3.6%	7.0%
ABS	1.5%	1.7%	2.0%	-0.7%	3.2%	--	--	--	--	--
HFRX Equity Hedge Index	0.8%	1.9%	2.6%	-3.2%	-4.1%	-2.0%	-5.2%	-5.4%	-1.7%	0.6%
Russell 3000	2.5%	7.6%	13.2%	17.0%	18.2%	13.8%	4.7%	1.5%	4.3%	7.0%
MSCI ACWI	2.2%	8.7%	9.4%	6.2%	9.9%	7.7%	1.1%	-1.7%	3.6%	7.0%
K2	1.2%	2.6%	5.5%	4.1%	3.6%	--	--	--	--	--
HFRX Equity Hedge Index	0.8%	1.9%	2.6%	-3.2%	-4.1%	-2.0%	-5.2%	-5.4%	-1.7%	0.6%
Russell 3000	2.5%	7.6%	13.2%	17.0%	18.2%	13.8%	4.7%	1.5%	4.3%	7.0%
MSCI ACWI	2.2%	8.7%	9.4%	6.2%	9.9%	7.7%	1.1%	-1.7%	3.6%	7.0%
Real Estate Composite	0.0%	2.9%	5.9%	12.9%	17.3%	15.6%	5.8%	1.7%	5.3%	10.8%
Custom Real Estate Benchmark	0.0%	0.8%	4.9%	8.9%	13.3%	15.8%	3.2%	-1.2%	3.6%	9.8%
NFI	0.0%	0.9%	5.5%	9.9%	14.3%	10.2%	-2.9%	-1.4%	3.8%	6.4%
American Realty Advisors	0.0%	2.7%	5.8%	12.2%	--	--	--	--	--	--
NFI	0.0%	0.9%	5.5%	9.9%	14.3%	10.2%	-2.9%	-1.4%	3.8%	6.4%
Morgan Stanley	0.0%	3.0%	6.1%	15.7%	--	--	--	--	--	--
NFI	0.0%	0.9%	5.5%	9.9%	14.3%	10.2%	-2.9%	-1.4%	3.8%	6.4%
UBS	0.0%	2.3%	--	--	--	--	--	--	--	--
NFI	0.0%	0.9%	5.5%	9.9%	14.3%	10.2%	-2.9%	-1.4%	3.8%	6.4%
Infrastructure Composite	0.6%	2.2%	4.0%	4.5%	10.0%	--	--	--	--	--
CPI +4%	0.3%	0.7%	4.2%	5.2%	6.5%	6.1%	5.2%	6.0%	6.3%	6.5%
IFM	1.2%	4.3%	4.9%	3.7%	10.6%	--	--	--	--	--
CPI +4%	0.3%	0.7%	4.2%	5.2%	6.5%	6.1%	5.2%	6.0%	6.3%	6.5%
J.P. Morgan	0.0%	-0.2%	2.9%	5.3%	--	--	--	--	--	--
CPI +4%	0.3%	0.7%	4.2%	5.2%	6.5%	6.1%	5.2%	6.0%	6.3%	6.5%

Total Fund Composite

Fee Schedule

Market Value: \$1,731.1 Million and 100.0% of Fund

Asset Class	Investment Manager	Fee Schedule	Expense Ratio & Estimated Annual Fee ¹	Industry Average ²
Core Fixed Income	J.P. Morgan	0.20% on the first \$100 million 0.15% on the Balance	0.17% \$549,795	0.24%
Core Fixed Income	Mellon Capital	0.04% on the first \$200 million 0.02% on the Balance	0.04% \$55,668	0.08%
Large-Cap Value	Boston Partners	0.40% on the first \$15 million 0.30% on the next \$25 million 0.20% on the next \$25 million 0.15% on the next \$35 million 0.10% on the Balance	0.21% \$264,605	0.51%
Large-Cap Core	Mellon Capital	0.04% on the first \$200 million 0.02% on the Balance	0.04% \$43,332	0.09%
Mid-Cap Growth	Artisan Partners	0.80% on the first \$50 million 0.60% on the next \$50 million 0.50% on the Balance	0.80% \$404,360	0.68%
Mid-Cap Growth	Geneva Capital	0.65% on the Balance	0.65% \$256,446	0.78%
Small-Cap Value	AQR	1.00% on the first \$25 million 0.85% on the next \$50 million 0.75% on the Balance	0.94% \$396,781	0.95%
Small-Cap Value	Fiduciary Management	0.70% on the first \$10 million 0.65% on the next \$40 million 0.60% on the next \$25 million 0.50% on the Balance	0.66% \$329,372	0.95%
Non-U.S. Large-Cap Core	Barings	0.75% on the Balance	0.75% \$851,678	0.68%
Non-U.S. Large-Cap Value	GMO Large-Cap	0.67% on the Balance	0.67% \$614,612	1.04%
Non-U.S. Small-Cap Value	GMO Small-Cap	0.75% on the Balance	0.75% \$485,055	1.16%
Emerging Markets	Barings EM	0.75% on the Balance	0.75% \$398,694	0.92%
Hedged Equity Hedge FoF	ABS	0.85% on the Balance *redemptions quarterly with 45 days notice	0.85% \$778,777	1.37%
Hedged Equity Hedge FoF	K2	0.90% on the Balance *redemptions quarterly with 91 days notice	0.90% \$800,227	1.37%

Total Fund Composite

Fee Schedule

Market Value: \$1,731.1 Million and 100.0% of Fund

Asset Class	Investment Manager	Fee Schedule	Expense Ratio & Estimated Annual Fee ¹	Industry Average ²
Core Real Estate	American Realty Advisors	0.95% on the Balance	0.95% \$306,565	1.03%
Core Real Estate	Morgan Stanley	0.90% on the Balance	0.90% \$811,376	1.03%
Core Real Estate	UBS	0.955% on the first \$10 million 0.825% on the next \$15 million 0.805% on the next \$25 million 0.79% on the next \$50 million 0.67% on the next \$150 million 0.60% on the Balance	0.91% \$140,820	1.03%
Core Infrastructure	IFM	1.25% on the Balance Performance Fee: 20% of return above 8% on a rolling three year basis	1.25% \$913,676	1.80%
Core Infrastructure	J.P. Morgan	1.50% on the first \$50 million 1.55% on the Balance Performance Fee: 15% with 7% Hurdle (six year soft lock, effective lock 4.5 years)	1.51% \$901,008	1.80%
Private Equity	Adams Street	0.67% on the first \$50 million 0.60% on the Balance 10% carry on secondaries and co-invest (Effective Rate Over 15 Yr Term)	0.67% \$261,668	1.11%
U.S. Private Equity FoF	Siguler Guff	0.69% on commitment	2.76% \$276,000	4.44%
Cash Overlay	BNY Beta Management	0.025% on the Balance	0.03% \$6,863	0.20%
Total Investment Management Fees			0.57% \$9,847,382	0.77%
Custodian	BNY Mellon	\$50,000 Flat Annual Fee	\$50,000	N/A
Total Fund			0.57% \$9,897,382	

¹ Expense Ratio & Estimated Annual Fee are Based on Market Value at Quarter End.

² Source: 2010 Marquette Associates Investment Management Fee Study.